

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 774**

Introduced by Hartnett, 45

Read first time January 20, 1999

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to community development; to amend sections  
2 18-2103, 18-2113, 18-2117.01, and 18-2153, Reissue  
3 Revised Statutes of Nebraska; to change provisions  
4 relating to cost-benefit analyses and reports; to  
5 redefine terms; to create a fund; to harmonize  
6 provisions; and to repeal the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 18-2103 Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   18-2103. For purposes of the Community Development Law,  
4 unless the context otherwise requires:

5                   (1) An authority shall mean any community redevelopment  
6 authority created pursuant to section 18-2102.01 and a city or  
7 village which has created a community development agency pursuant  
8 to the provisions of section 18-2101.01 and shall not mean a  
9 limited community redevelopment authority;

10                  (2) Limited community redevelopment authority shall mean  
11 a community redevelopment authority created pursuant to section  
12 18-2102.01 having only one single specific limited pilot project  
13 authorized;

14                  (3) City shall mean any city or incorporated village in  
15 the state;

16                  (4) Public body shall mean the state or any municipality,  
17 county, township, board, commission, authority, district, or other  
18 political subdivision or public body of the state;

19                  (5) Governing body or local governing body shall mean the  
20 city council, board of trustees, or other legislative body charged  
21 with governing the municipality;

22                  (6) Mayor shall mean the mayor of the city or chairperson  
23 of the board of trustees of the village;

24                  (7) Clerk shall mean the clerk of the city or village;

25                  (8) Federal government shall mean the United States of  
26 America, or any agency or instrumentality, corporate or otherwise,  
27 of the United States of America;

28                  (9) Area of operation shall mean and include the area

1 within the corporate limits of the city and such land outside the  
2 city as may come within the purview of section 18-2123;

3 (10) Substandard areas shall mean ~~an~~ (a) a previously  
4 platted and developed area in which there is a predominance of  
5 buildings or improvements, whether nonresidential or residential in  
6 character, which, by reason of dilapidation, deterioration, age or  
7 obsolescence, inadequate provision for ventilation, light, air,  
8 sanitation, or open spaces, high density of population and  
9 overcrowding, or the existence of conditions which endanger life or  
10 property by fire and other causes, or any combination of such  
11 factors, is conducive to ill health, transmission of disease,  
12 infant mortality, juvenile delinquency, and crime, (which cannot be  
13 remedied through construction of prisons), and is detrimental to  
14 the public health, safety, morals, or welfare or (b) an area which  
15 was platted and has remained undeveloped and vacant for at least  
16 ten years since the date of the approval of the most recent plat  
17 and which is adjacent and contiguous to and shares not less than  
18 fifty percent of its boundaries with a substandard area as defined  
19 in subdivision (a) of this subdivision;

20 (11) Blighted area shall mean ~~an~~ a previously platted and  
21 developed area, which (a) by reason of the presence of a  
22 substantial number of deteriorated or deteriorating structures,  
23 existence of defective or inadequate street layout, faulty lot  
24 layout in relation to size, adequacy, accessibility, or usefulness,  
25 insanitary or unsafe conditions, deterioration of site or other  
26 improvements, diversity of ownership, tax or special assessment  
27 delinquency exceeding the fair value of the land, defective or  
28 unusual conditions of title, improper subdivision or obsolete

1 platting, or the existence of conditions which endanger life or  
2 property by fire and other causes, or any combination of such  
3 factors, substantially impairs or arrests the sound growth of the  
4 community, retards the provision of housing accommodations, or  
5 constitutes an economic or social liability and is detrimental to  
6 the public health, safety, morals, or welfare in its present  
7 condition and use and (b) in which there is at least one of the  
8 following conditions: (i) Unemployment in the designated area is at  
9 least one hundred twenty percent of the state or national average;  
10 (ii) the average age of the residential or commercial units in the  
11 area is at least forty years; (iii) ~~more than half of the plotted~~  
12 ~~and subdivided property in an area is unimproved land that has been~~  
13 ~~within the city for forty years and has remained unimproved during~~  
14 ~~that time;~~ (iv) the per capita income of the area is lower than the  
15 average per capita income of the city or village in which the area  
16 is designated; or ~~(v)~~ (iv) the area has ~~had either stable or~~  
17 ~~decreasing~~ a population which is stable or decreasing based on the  
18 last two decennial censuses. In no event shall a city of the  
19 metropolitan, primary, or first class designate more than  
20 thirty-five percent of the city as blighted, a city of the second  
21 class shall not designate an area larger than fifty percent of the  
22 city as blighted, and a village shall not designate an area larger  
23 than one hundred percent of the village as blighted;

24 (12) Redevelopment project shall mean any work or  
25 undertaking in one or more community redevelopment areas: (a) To  
26 acquire substandard and blighted areas or portions thereof,  
27 including lands, structures, or improvements the acquisition of  
28 which is necessary or incidental to the proper clearance,

1 development, or redevelopment of such substandard and blighted  
2 areas; (b) to clear any such areas by demolition or removal of  
3 existing buildings, structures, streets, utilities, or other  
4 improvements thereon and to install, construct, or reconstruct  
5 streets, utilities, parks, playgrounds, public spaces, public  
6 parking facilities, sidewalks or moving sidewalks, convention and  
7 civic centers, bus stop shelters, lighting, benches or other  
8 similar furniture, trash receptacles, shelters, skywalks and  
9 pedestrian and vehicular overpasses and underpasses, and any other  
10 necessary public improvements essential to the preparation of sites  
11 for uses in accordance with a redevelopment plan; (c) to sell,  
12 lease, or otherwise make available land in such areas for  
13 residential, recreational, commercial, industrial, or other uses,  
14 including parking or other facilities functionally related or  
15 subordinate to such uses, or for public use or to retain such land  
16 for public use, in accordance with a redevelopment plan; and may  
17 also include the preparation of the redevelopment plan, the  
18 planning, survey, and other work incident to a redevelopment  
19 project and the preparation of all plans and arrangements for  
20 carrying out a redevelopment project; (d) to dispose of all real  
21 and personal property or any interest in such property, or assets,  
22 cash, or other funds held or used in connection with residential,  
23 recreational, commercial, industrial, or other uses, including  
24 parking or other facilities functionally related or subordinate to  
25 such uses, or any public use specified in a redevelopment plan or  
26 project, except that such disposition shall be at its fair value  
27 for uses in accordance with the redevelopment plan; (e) to acquire  
28 real property in a community redevelopment area which, under the

1 redevelopment plan, is to be repaired or rehabilitated for dwelling  
2 use or related facilities, repair or rehabilitate the structures,  
3 and resell the property; and (f) to carry out plans for a program  
4 of voluntary or compulsory repair and rehabilitation of buildings  
5 or other improvements in accordance with the redevelopment plan;

6 (13) Redevelopment plan shall mean a plan, as it exists  
7 from time to time for one or more community redevelopment areas, or  
8 for a redevelopment project, which plan (a) shall conform to the  
9 general plan for the municipality as a whole; and (b) shall be  
10 sufficiently complete to indicate such land acquisition, demolition  
11 and removal of structures, redevelopment, improvements, and  
12 rehabilitation as may be proposed to be carried out in the  
13 community redevelopment area, zoning and planning changes, if any,  
14 land uses, maximum densities, and building requirements;

15 (14) Redeveloper shall mean any person, partnership, or  
16 public or private corporation or agency which shall enter or  
17 propose to enter into a redevelopment contract;

18 (15) Redevelopment contract shall mean a contract entered  
19 into between an authority and a redeveloper for the redevelopment  
20 of an area in conformity with a redevelopment plan;

21 (16) Real property shall mean all lands, including  
22 improvements and fixtures thereon, and property of any nature  
23 appurtenant thereto, or used in connection therewith, and every  
24 estate, interest and right, legal or equitable, therein, including  
25 terms for years and liens by way of judgment, mortgage, or  
26 otherwise, and the indebtedness secured by such liens;

27 (17) Bonds shall mean any bonds, including refunding  
28 bonds, notes, interim certificates, debentures, or other

1 obligations issued pursuant to the Community Development Law;

2 (18) Obligee shall mean any bondholder, agent, or trustee  
3 for any bondholder, or lessor demising to any authority,  
4 established pursuant to section 18-2102.01, property used in  
5 connection with a redevelopment project, or any assignee or  
6 assignees of such lessor's interest or any part thereof, and the  
7 federal government when it is a party to any contract with such  
8 authority;

9 (19) Person shall mean any individual, firm, partnership,  
10 limited liability company, corporation, company, association,  
11 joint-stock association, or body politic and shall include any  
12 trustee, receiver, assignee, or other similar representative  
13 thereof;

14 (20) Community redevelopment area shall mean a  
15 substandard and blighted area which the community redevelopment  
16 authority designates as appropriate for a renewal project; and

17 (21) Redevelopment project valuation shall mean the  
18 valuation for assessment of the taxable real property in a  
19 redevelopment project last certified for the year prior to the  
20 effective date of the provision authorized in section 18-2147.

21 Sec. 2. Section 18-2113, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 18-2113. (1) Prior to recommending a redevelopment plan  
24 to the governing body for approval, an authority shall consider  
25 whether the proposed land uses and building requirements in the  
26 redevelopment project area are designed with the general purpose of  
27 accomplishing, in conformance with the general plan, a coordinated,  
28 adjusted, and harmonious development of the city and its environs

1 which will, in accordance with present and future needs, promote  
2 health, safety, morals, order, convenience, prosperity, and the  
3 general welfare, as well as efficiency and economy in the process  
4 of development; including, among other things, adequate provision  
5 for traffic, vehicular parking, the promotion of safety from fire,  
6 panic, and other dangers, adequate provision for light and air, the  
7 promotion of the healthful and convenient distribution of  
8 population, the provision of adequate transportation, water,  
9 sewerage, and other public utilities, schools, parks, recreational  
10 and community facilities, and other public requirements, the  
11 promotion of sound design and arrangement, the wise and efficient  
12 expenditure of public funds, and the prevention of the recurrence  
13 of insanitary or unsafe dwelling accommodations, or conditions of  
14 blight.

15 (2) The authority shall conduct a cost-benefit analysis  
16 for each redevelopment project ~~(a) which is proposed or pending~~  
17 ~~approval by the governing body on or after January 1, 1999, and (b)~~  
18 whose redevelopment plan includes the use of funds authorized by  
19 section 18-2147. In conducting the cost-benefit analysis, the  
20 authority shall use a cost-benefit model developed for use by local  
21 projects. ~~pursuant to the guidelines for cost-benefit analysis~~  
22 ~~found in section 77-5104. One or more models for such use shall be~~  
23 ~~developed by the Review Incentives Program Committee created in~~  
24 ~~section 77-5102. Any cost-benefit model used by the authority~~  
25 shall consider and analyze the following factors:

26 (a) Tax shifts resulting from the approval of the use of  
27 funds pursuant to section 18-2147;

28 (b) Public infrastructure and community public service



1 needs impacts and local tax impacts arising from the approval of  
2 the redevelopment project;

3 (c) Impacts on employers and employees of firms locating  
4 or expanding within the boundaries of the area of the redevelopment  
5 project;

6 (d) Impacts on other employers and employees within the  
7 city or village and the immediate area that are located outside of  
8 the boundaries of the area of the redevelopment project; and

9 (e) Any other impacts determined by the authority to be  
10 relevant to the consideration of costs and benefits arising from  
11 the redevelopment project.

12 Sec. 3. Section 18-2117.01, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 18-2117.01. (1) On or before December 1 each year, each  
15 city which has approved one or more redevelopment plans which are  
16 financed in whole or in part through the use of tax-increment  
17 financing as provided in section 18-2147 shall provide a report to  
18 the Property Tax Administrator on each such redevelopment plan  
19 which includes the following information:

20 (a) A copy of the redevelopment plan and any amendments  
21 thereto if they have not been previously filed, including the date  
22 upon which the redevelopment plan was approved and the location and  
23 boundaries of the property in the redevelopment project;

24 (b) The total valuation of the property in the  
25 redevelopment project subject to allocation before the project  
26 began and in subsequent years;

27 (c) The total consolidated ad valorem tax levy on the  
28 property in the redevelopment project subject to allocation; ~~and~~

1           (d) The total amount of ad valorem taxes on property in  
2 the redevelopment project paid into the fund of the public bodies  
3 and the amount of such taxes paid into the fund provided for in  
4 subdivision (1)(b) of section 18-2147; and

5           (e) A short narrative description of the type of  
6 development undertaken by the city or village with the financing  
7 and the type of business or commercial activity locating within the  
8 redemption project area as a result of the redemption  
9 project.

10           (2) The Property Tax Administrator shall compile the data  
11 provided by the cities pursuant to subdivisions (1)(b) through (e)  
12 ~~(d)~~ of this section along with relevant descriptive and identifying  
13 information regarding each project provided pursuant to subdivision  
14 (1)(a) of this section into a report which shall be transmitted to  
15 the Clerk of the Legislature not later than March 1 each year. The  
16 report may include any recommendations of the Property Tax  
17 Administrator as to what other information should be included in  
18 the report from the cities so as to facilitate analysis of the  
19 uses, purposes, and effectiveness of tax-increment financing and  
20 the process for its implementation or to streamline the reporting  
21 process provided for in this section to eliminate unnecessary  
22 paperwork.

23           Sec. 4. There is hereby created the Community  
24 Redemption Analysis Fund. The fund shall be under the direction  
25 of the Department of Economic Development. The department shall  
26 use the fund to provide reimbursements to cities or villages for  
27 the direct costs incurred by them in the acquisition or use of the  
28 cost-benefit analysis model, developed and approved as provided in

1 sections 77-5101 to 77-5105, for projects using funds authorized by  
2 section 18-2147. Any money in the fund available for investment  
3 shall be invested by the state investment officer pursuant to the  
4 Nebraska Capital Expansion Act and the Nebraska State Funds  
5 Investment Act.

6           Sec. 5. Section 18-2153, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8           18-2153. The powers conferred by sections 18-2147 to  
9 18-2153 and section 4 of this act shall be in addition and  
10 supplemental to the powers conferred by the Community Development  
11 Law and by any other law and shall be independent of and in  
12 addition to any other provision of the laws of the State of  
13 Nebraska with reference to the matters covered hereby. The  
14 provisions of such sections and all grants of power, authority,  
15 rights, or discretion to a city or village and to an authority  
16 created under the Community Development Law shall be liberally  
17 construed, and all incidental powers necessary to carry into effect  
18 such sections are hereby expressly granted to and conferred upon a  
19 city or village or an authority created pursuant to the Community  
20 Development Law.

21           Sec. 6. Original sections 18-2103, 18-2113, 18-2117.01,  
22 and 18-2153, Reissue Revised Statutes of Nebraska, are repealed.